

(PRE-FILED)

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By: **Chairman, Environmental Matters Committee (By Request -  
Departmental - Agriculture)**

Requested: November 3, 2003  
Introduced and read first time: January 14, 2004  
Assigned to: Environmental Matters

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: February 10, 2004

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Agricultural Land Preservation Foundation - Arbitration of**  
3 **Easement Values**

4 FOR the purpose of establishing a certain deadline for ~~the~~ requesting arbitration of  
5 disputes over the value of certain easements under the Maryland Agricultural  
6 Land Preservation Foundation; and generally relating to the Maryland  
7 Agricultural Land Preservation Foundation.

8 BY repealing and reenacting, with amendments,  
9 Article - Agriculture  
10 Section 2-511  
11 Annotated Code of Maryland  
12 (1999 Replacement Volume and 2003 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Agriculture**

16 2-511.

17 (a) The maximum value of any easement to be purchased shall be the asking  
18 price or the difference between the fair market value of the land and the agricultural  
19 value of the land, whichever is lower.

1 (b) The fair market value of the land is the price as of the valuation date for  
2 the highest and best use of the property which a vendor, willing but not obligated to  
3 sell, would accept for the property, and which a purchaser, willing but not obligated to  
4 buy, would pay for the property if the property was not subject to any restriction  
5 imposed under this subtitle.

6 (c) The agricultural value of land is the price as of the valuation date which a  
7 vendor, willing but not obligated to sell, would accept for the property, and which a  
8 purchaser, willing but not obligated to buy, would pay for the property as a farm unit,  
9 to be used for agricultural purposes.

10 (d) (1) (i) The value of the easement is determined at the time the  
11 Foundation is requested in writing to purchase the easement.

12 (ii) The fair market value shall be determined by the Department of  
13 General Services based on one or more appraisals by the State appraisers, and  
14 appraisals, if any, of the landowner.

15 (iii) The entire contiguous acreage shall be included in the  
16 determination of the value of the easement, less 1 acre per single dwelling; however,  
17 except as provided in § 2-513(b)(2) of this subtitle, the entire contiguous acreage,  
18 including the 1 acre per single dwelling, is subject to the easement restrictions.

19 (2) (i) Subject to subparagraph (ii) of this paragraph, the agricultural  
20 value of land shall be determined by a formula approved by the Department that  
21 measures the farm productivity of the land on which the applicant has applied to sell  
22 an easement by taking into consideration weighted factors that may include rents,  
23 location, soil types, development pressure, interest rates, and potential agricultural  
24 use.

25 (ii) The agricultural value determined under subparagraph (i) of  
26 this paragraph is subject to the approval of the Department.

27 (e) (1) If the landowner and Foundation do not agree on the value of the  
28 easement as determined by the State, either the landowner or the Foundation may  
29 request, NO LATER THAN SEPTEMBER 30 OF THE YEAR FOLLOWING THE  
30 DETERMINATION OF THE VALUE, that the matter be referred to the property tax  
31 assessment appeal board as provided under § 3-107 of the Tax - Property Article, for  
32 arbitration as to the value of the easement.

33 (2) The value determined by that arbitration shall be binding upon the  
34 owner and the Foundation in a purchase of the easement made subsequent to the  
35 arbitration for a period of 2 years, unless the landowner and the Foundation agree  
36 upon a lesser value or the landowner or the Foundation appeals the results of the  
37 arbitration to the Maryland Tax Court, and either party may further appeal from the  
38 Tax Court as provided in § 13-532 of the Tax - General Article.

39 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
40 October 1, 2004.

